

## GOVERNMENT OF ANDHRA PRADESH

### ABSTRACT

Industries & Commerce Department – Hon'ble High Court Judgement dated 2-12-2008 in WP No.13982/2008 filed by Sri Namala Ashok, Hyderabad against M/s. Ganpati Sugar Industries Limited, Sangareddy – Orders of Commissioner of Sugar & Cane Commissioner, Hyderabad dated 18-4-2010 – Appeal petition filed by M/s. Ganpati Sugar Industries Limited, Sangareddy, Medak District examined – Rejected.

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### INDUSTRIES & COMMERCE (SUGAR) DEPARTMENT

G.O.Rt.No.653,

Dated: 18-11-2011.

Read the following: -

1. From the CoS&CC, AP, Hyderabad Lr.Rc.No.C1/4054/08, Dt: 18.4.2010.
2. From the Chief Executive (Works), Ganpati Sugar Inds. Ltd., Sangareddy, Medak, letter Dt: 12-5-2010 and Dt: 26.5.2010.
3. Govt. Memo.No.7643/Sug/A1/2010-1, Dt: 27-5-2010 & Dt: 13.9.2010.
4. From the CoS&CC, AP, Hyderabad Lr.Rc.No. C1/4054/08, Dt: 22.01.2011.

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### ORDER:

In the reference 1<sup>st</sup> read above, the Commissioner of Sugar & Cane Commissioner, AP, Hyderabad has issued orders directing M/s. Ganpati Sugar Industries Limited, Sangareddy, Medak District to pay Rs.48,955/- along with interest @ 15% per annum from the date of closure of the factory ie., 27-05-2008 to till the final payment is made to the Petitioner (Sri Namala Ashok, Cane Grower) towards compensation for non-drawal of 102.76 MTs of agreemented cane during 2007-2008 season in pursuance of the directions of the Hon'ble High Court in their judgement dt:02-12-2008 in W.P.No.13982/2008.

2. In the reference 2<sup>nd</sup> read above, M/s. Ganpati Sugar Industries Ltd., Sangareddy has filed an appeal petition against the proceedings Dt:18.4.2010 of the Commissioner of Sugar & Cane Commissioner, Hyderabad before the Government for repeal and cancellation of the orders dated 18.4.2010 issued by the Commissioner of Sugar & Cane Commissioner, Hyderabad since the factory will not hold any responsibility towards the negligence/malafide attitude of petitioner farmer.

3. In the reference 3<sup>rd</sup> read above, Government have called for the remarks of the Commissioner of Sugar & Cane Commissioner, AP, Hyderabad on the appeal petition filed by M/s. Ganpati Sugar Industries Limited, Sangareddy.

4 Accordingly, the Commissioner of Sugar & Cane Commissioner, AP, Hyderabad has stated that Sri Namala Ashok, (Cane Grower), S/o Yadagiri, having agricultural lands at Erraram Village, Andole Mandal and raised sugarcane in an area of 3.28 acres in Sy.Nos.48, 151, 162/A, E planted sugarcane on 15-12-2006 and entered into agreement with M/s. Ganpati Sugars Limited, vide ryot code No.A4090180 on 03-07-2007 for supply of 111 MTs of cane during 2007-2008 season. M/s. Ganpati Sugars Limited has issued (3) cane harvesting permits on 12.4.2008 to the cane grower for supply of cane on 14.4.2008, 15.4.2008 and 16.4.2008. As against the said three permits, Sri Namala Ashok has honoured only one permit bearing No.0146826, Dt: 12-04-2008 and supplied a quantity of 8.242 MTs of cane on 18-05-2008 as against the date of supply to be made on 14-04-2008. He could not supply his cane against the permit Nos.0146827 and 0147349. The factory has issued some more permits through certificate of posting on 06-05-2008 to the addressee village but it was returned back with a statement that the addressee is not available in the village. Neither the cane

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grower nor his representative approached the factory or statutory authorities for supply of his balance cane. The Sugar Factory has issued an advertisement in Eanadu, Medak and Ranga Reddy Districts editions and published on 13-04-2008 about the closure of the factory on 10-05-2008 requesting the farmers to supply the cane and made it clear that in case of default of supplying cane, the factory will not be held responsible. On the request of various farmers of the zone area the closure date extended from 10-05-2008 to 27-05-2008 crushing season.

5. The Commissioner of Sugar & Cane Commissioner has also informed that Sri Namala Ashok has stated in his affidavit that during last week of May, 2008 some miscreants had burnt his cane crop due to which his bore well electric motor and other connections were damaged. He made a complaint to the Police and also MRO, Andole. The Asst. Cane Commissioner/Cane Regulation Inspector were not informed of about burning of sugarcane crop of Sri Namala Ashok by some miscreants during the last week of May, 2008.

6. With regards to sugar factory role, it is observed that the factory personnel have not monitored the situation closely for the reasons of non supply of cane by the petitioner in the given time. The quantity of cane for which agreement has been entered was 111 MTs, whereas the quantity of cane supplied is 8.242 MTs only. The balance cane of 102 MTs would have been drawn by the factory by proper planning, field inspection duly contacting the petitioner, if necessary. But this was not done by the factory. Simply issue of permits, is not enough.

7. The petitioner is not responding properly to harvest the cane since beginning of the season. Hence, the factory could not take special care to monitor and educate all the farmers including the Petitioner who had agreed for cane supply but not responded after the issue of permits to supply the cane before the closure of the mill for the season i.e., 2007-08.

8. The Commissioner of Sugar & Cane Commissioner has stated that after going through the records, arguments, discussions, written statements, opinion of the concerned Assistant Cane Commissioner and as per the provisions of the A.P. Sugarcane Act & Rules, 1961, it is observed that the lapses lie on both the parties i.e., Ganapati Sugars Limited and Sri Namala Ashok. However, keeping in view of interest of the cane grower, 50% of the statutory value i.e., SMP (Statutory Minimum Price) + Purchase Tax Incentive was considered towards payment of compensation by the Sugar Factory to the grower i.e. Rs.48,955/- along with interest @ 15% per annum from the date of closure of the factory i.e., 27-05-2008 to till the final payment is made to the Petitioner (Sri Namala Ashok, Cane Grower) towards compensation for non-drawal of 102.76 MTs of agreed cane during 2007-2008 season.

9. Government after careful examination, the appeal petition filed by M/s. Ganapati Sugars Ltd., Sangareddy with reference to the report of the Commissioner of Sugar & Cane Commissioner furnished to the Govt. vide ref. 4<sup>th</sup> read above, it is observed that the factory personnel have not monitored the situation closely to ascertain the reasons for non supply of cane by the petitioner in the given time, thereby the factory has failed to monitor the petitioner farmer who had entered into agreement for cane supply. Therefore, it is viewed that the proceedings issued by the Commissioner of Sugar & Cane Commissioner, AP, Hyderabad after hearing the case by calling both the parties directing the factory to pay the compensation to the petitioner's farmer is appropriate.

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10. Therefore, as there are no merits in the appeal petition filed by the M/s. Ganpati Sugar Industries Ltd., Sangareddy and Government hereby rejected the appeal petition.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

T.S. APPA RAO,  
PRINCIPAL SECRETARY TO GOVERNMENT &  
COMMISSIONER FOR INDUSTRIAL PROMOTION.

To:

M/s. Ganpati Sugars Ltd., Post Box No.29. Kulbgoor/Fawalwadi village,  
Sangareddy, Medak District – 502 294.

Copy to

The Commissioner of Sugar and Cane Commissioner, Hyderabad for taking  
necessary further action.

Sri Namala Ashok, Sangareddy, Medak District through the Commissioner of  
Sugar & Cane Commissioner, Hyderabad.

//FORWARDED:: BY ORDER//

SECTION OFFICER.